

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 1910 - SB 2056

March 18, 2009

SUMMARY OF BILL: Upon adoption by a two-thirds vote by the Montgomery County Commission, the Clarksville-Montgomery County school system is authorized to use Type D buses for up to 17 years if these buses do not exceed 225,000 miles.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Not Significant

Increase Local Expenditures – Not Significant

Other Fiscal Impact – Clarksville-Montgomery County may experience a permissive decrease in local expenditures in FY09-10 of \$1,155,000. In FY10-11 and subsequent years, more or less savings may be realized, depending on the ratio between the number of buses that would otherwise have been retired and the number of buses that reach the new threshold for purchasing new ones.

Assumptions:

- Any increase in state expenditures for the Department of Safety to perform additional inspections is estimated to be not significant.
- According the Clarksville-Montgomery County school system, extending the life of Type D buses will keep the system from purchasing 15 buses in FY09-10 at an average cost of \$77,000 per bus. Permissive local savings in FY09-10 will be approximately \$1,155,000. The amount of any local decrease in expenditures in FY10-11 and subsequent years will be dependent upon how many buses are kept in use that would otherwise have been retired.
- Any increase in maintenance costs is estimated to be not significant.
- Eventually these buses will reach their mileage limit, necessitating the purchasing of more buses.

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- Current State Board of Education policy authorizes the use of Type D buses up to 17 years if the bus does not exceed 150,000 miles.
- Provisions of the bill apply only to the Clarksville-Montgomery County school system.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

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